

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (22-085)**

Subject

Initiative petition from Connor Toth regarding a proposed constitutional amendment to Article VIII. (Received January 24, 2022)

Date

February 10, 2022

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2022.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated there is no fiscal or programmatic impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact for their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Department of Social Services** indicated this initiative petition will have no fiscal impact for their department.

Officials from the **Governor's office** indicated this proposal relating to elections should not fiscally impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated there would be no adverse fiscal impact to their department related to this proposal.

Officials from the **Department of Transportation** indicated this initiative petition should not have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to elections should not fiscally impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would transition Missouri elections to a ranked-choice voting system by January 1, 2026. There are three potential areas of expense which could be incurred in implementing this measure: the required public education campaign, reprogramming of the state election management system, and replacement of voting machines. The state may be required to pay any or all of these costs under Article X, Section 21 of the Missouri Constitution.

This measure would require their office to conduct a voter education campaign to familiarize voters with the instant runoff voting system and ranked-choice ballots. The precise cost of such a campaign would vary depending on strategic decisions and appropriation by the General Assembly. A statewide educational campaign is estimated to reach or exceed \$2,000,000 beginning in fiscal year (FY) 2026. Primarily this would be one-time costs but with the possibility to carry over, especially if the campaign is implemented a significant time before the election at which the system first sees service.

Additionally, the Missouri Centralized Voter Registration program (MCVR) would need to be modified to accept ranked-choice vote totals. The total numbers of each different ballot ranking combination would need to be tabulated in MCVR from the local election authorities (LEAs) before the instant runoff process could take place, especially in the case of statewide races. This would require programming resources to be devoted beyond those covered under the normal maintenance and upkeep contracts. Labor costs to program this modification are estimated by the vendor at \$46,000, to be executed in FY 2025 or FY 2026 in preparation for the time when ranked-choice voting begins in 2026.

Finally, in order to properly handle ranked-choice ballots, all voting equipment statewide must either be updated with code which allows ranked-choice voting or be replaced with

ranked-choice-compatible machines. Since reprogramming can reasonably be considered a lesser cost than full replacement, they present the replacement cost as a maximum for this potential expense. The latest voting systems survey, conducted in 2020, found 5,735 pieces of election equipment in service statewide. At an average replacement cost of \$5,000 per machine, this could result in a cost of up to \$28,675,000 in FY 2025 or FY 2026.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate the following costs with this petition:

- Approximate printed general election ballots cost increase of about \$20,000 ***This is the only recurring cost per general election, the rest are one-time

- Approximate printed primary election ballots cost increase of about \$20,000 ***This is the only recurring cost per primary election, the rest are one-time
- Approximate advertising for voter education cost increase of about \$500
- Approximate staff training cost increase of about \$1,000
- Approximate voting machine software upgrade cost increase of about \$10,000

Total estimated costs of \$51,500. Only \$11,500 as one-time. Recurring costs of \$20,000 every even year primary election and \$20,000 every even year general election or \$40,000 every two years.

Officials from **Greene County** indicated there will be an increased cost to the county if voters vote to amend Article VIII with the proposed language in this initiative petition.

The sum of those cost estimates respectively to implement a Ranked-Choice Voting (RCV) and Instant Runoff (IR) for primary and general elections are as follows:

Primary Election Estimated Total Cost:	\$443,499.13
General Election Estimated Total Cost:	\$455,804.63

The actual costs of the 2020 Elections are as follows:

August 2020 Actual Cost:	\$374,278.29
November 2020 Actual Cost:	\$450,665.80

The difference would be the following for each:

Primary: \$374,278.29 - \$443,499.13 =	-\$69,170.84
General: \$450,665.80 - \$455,804.63 =	-\$5,138.83
Total Cost Increase for both Elections:	\$74,309.67

These costs are ongoing costs and are related to the computer programming cost and the amount increased for each contest to perform a RCV/IR election.

Officials from the **City of Kansas City** indicated this initiative petition will not have a fiscal impact on their city.

Officials from the **City of St. Joseph** indicated no financial impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **University of Missouri** indicated the university has no direct impact from this initiative petition.

Officials from the **St. Louis County Board of Elections** indicated they believe this will have a fiscal impact of anywhere from \$0 - 50,000 in one-time costs because it is unknown if they would need to pay for new software or to use open-sourced software.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this initiative petition implements ranked choice voting. Their current voting system does not have the capacity to conduct ranked choice voting. However, they are in the process of acquiring a new voting system. Any system they are likely to purchase would have the ability to conduct such an election. Therefore, it is anticipated this petition, if adopted, would have no fiscal impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated there is a huge fiscal impact. There is also a huge psychological impact this will have on the voters.

All of their equipment software would have to be updated for \$50,000 (one-time cost) and recalibrated at \$25,000 per election. Ballots would cost 50-75 cents for a three page ballot at roughly \$187,000 per election depending on the length of the ballot. Training cost would increase by \$26,800 per election because they are teaching a new process to the poll workers. They would need to ramp up their voter education classes in order to teach the public how the system works. This would require more skilled temporary workers to assist with the various ballot styles and sorting, counting, etc. for \$25,000 per election. They would also have staff overtime of \$14,000 per election. Election night report would have to be thrown out of the window and this would require a longer time to certify. In addition, they would need 2-3 security personnel in their election office at a rate of \$25 per hour for 120 hours each for a total of \$9,000 per election. In addition, they would need a media campaign, potentially a commercial, for a \$100,000 (one-time cost).

At a time when elections are under such scrutiny, this will only further instill angst and frustration in the voters and candidates. They want to know how to explain to a candidate, you were in the lead, but once the votes were redistributed, you lost.

Officials from the **Platte County Board of Elections** indicated their voting equipment can handle ranked choice voting. They do not anticipate any cost increase.

Officials from the **Jackson County Election Board** indicated their election equipment can conduct rank choice voting (RCV). No software update would be required.

The cost associated with this petition would be solely related to voter education. RCV is complicated to understand, and the average voter will not understand the process.

They assume that if implemented the cost for voter education would be \$250,000 with mailings and media buys.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the**

City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, St. Louis Community College, and the Clay County Board of Election Commissioners.

Fiscal Note Summary

State and local governmental entities estimate no savings, one-time costs of at least \$2.4 million, and ongoing costs of at least \$375,000 each primary election, \$311,000 each general election, and \$286,000 for all other elections.